

**AGENDA**



**Recommendation for Council Action (Purchasing)**

<b>Austin City Council</b>	<b>Item ID:</b>	9147	<b>Agenda Number</b>	42.
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<b>Meeting Date:</b>	August 25, 2011
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<b>Department:</b>	Purchasing
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**Subject**

Authorize award and execution of a 58-month requirements service agreement through the State of Texas Department of Information Resources (DIR) cooperative purchasing program with AT&T CORP., Dallas, TX for long distance telephone service and further authorize execution of Exhibit H to the TEX-AN NG Community Technology Services Agreement between the City, AT&T CORP., and DIR to facilitate direct payment for long distance telephone services to DIR in an estimated amount not to exceed \$1,750,000, with five 12-month extension options in an estimated amount not to exceed \$350,000 per extension option for a total estimated contract amount not to exceed \$3,500,000.

**Amount and Source of Funding**

Funding in the amount of \$29,167 is available in the Fiscal Year 2010-2011 Operating Budgets of various City departments. Funding in the amount of \$350,000 is contingent upon approval of the Fiscal Year 2011-2012 Operating Budgets of various City departments. Funding for the remaining 45 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note**

There is no unanticipated fiscal impact. A fiscal note is not required.

<b>Purchasing Language:</b>	Cooperative Purchase
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<b>Prior Council Action:</b>	
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<b>For More Information:</b>	Mick Osborne, Specialist Sr. Buyer/974-2995
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<b>Boards and Commission Action:</b>	
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<b>MBE / WBE:</b>	This Cooperative Purchase is exempt from the MBE /WBE Ordinance. This exemption is in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.
<b>Related Items:</b>	[REDACTED]
<b>Additional Backup Information</b>	
<p>This contract is for long distance phone services for the City of Austin. While there will be a contract for long distance services as provided by AT&amp;T, there is also a three-way agreement between the City, AT&amp;T, and DIR, as payments will be made directly to DIR, per the contract between DIR and AT&amp;T, to be billed monthly.</p> <p>AT&amp;T owns all of the copper infrastructure that provides these services. Contracting with AT&amp;T through DIR allows the City to avoid the additional fees another provider would charge to use the AT&amp;T infrastructure. Our current savings with the new contract will result in a 28 – 58% reduction in the per minute/per usage rate dependent upon the type of long distance service utilized (intra-lata, inter-lata, Interstate, Canada, etc).</p> <p>Our previous services were authorized under the DIR Contract Texan 2000, which expires August 31<sup>st</sup>. This contract was originally with Southwestern Bell and later assigned to AT&amp;T after their merger. The previous RCA and contract was for a 10 year period: \$2.5 million for the initial 5 year period, with \$500,000 for each 12 month extension option for a grand total of \$5.0 million. The total expenditures for the previous 5 year period for long distance service was \$1.1 million.</p> <p>The initial period of 58 months with 5 each 12 month extensions was selected in order to be in alignment with the new DIR contract.</p> <p>The top five users of this service are AE, AWU, CTM, PARD and Health.</p>	